

SECRET

COPY NO. 70

OCI NO.0302/61

20 October 1961

CURRENT INTELLIGENCE WEEKLY SUMMARY



DIA and DOS
review(s)
completed.

CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

25X1

SECRET

25X1

Page Denied

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

20 October 1961

THE WEEK IN BRIEF

(Information as of 1200 EDT 19 Oct)

SOVIET PARTY CONGRESS Page 1

Khrushchev's report to the 22nd Soviet party congress was a generally moderate restatement of established foreign and domestic policies, covering both immediate international issues and long-term theoretical and ideological questions. It was highlighted by his formal withdrawal of a deadline for a German peace treaty, his announcement that the USSR's present nuclear test series could be expected to end by 31 October with a 50-megaton explosion, his emphasis on the prospects for achieving peaceful coexistence, and his unprecedented indictment of the Albanian leadership.

25X1

SOUTH VIETNAM Page 7

Recent Viet Cong guerrilla successes have lowered the morale of government officials, the military, and the populace

25X1

The recent increase in Viet Cong guerrilla activity in central Vietnam indicates a drive to sever the government's land communications with the northern part of the country. A recent South Vietnamese request for US troops as "combat-trainer units" is a significant departure from Diem's earlier position that South Vietnamese forces, given enough material support, could handle the Communist guerrilla problem.

25X1

LAOS Page 9

King Savang on 18 October "accepted" Souvanna Phouma as the man to form a new government. Formal designation apparently awaits agreement among the three princes on the composition of the new cabinet and Boun Oum's subsequent resignation. Souvanna intends to call a new meeting of the princes--possibly at Xieng Khouang, where Souphannouvong remains. The positions of Vientiane and the Pathet Lao remain essentially unreconciled, and neither General Phoumi nor Souphannouvong has given much indication of a willingness to compromise. Recent skirmishing on a battalion level in southern Laos was apparently in reaction to Laotian Army sweeping operations. At Geneva, the Soviet representative is pushing for a rapid windup to the Laotian conference.

25X1

CONGO Page 11

UN and Congolese authorities have balked at the terms of the formal Katangan cease-fire, negotiated by Tshombé and UN representative Khiari. One provision of the agreement

SECRET

i

BRIEFS

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

20 October 1961

implies that Tshombé is free to defend himself in the event of an invasion of Katanga by central government forces. Criticism of the agreement and the resultant delay in its ratification by UN headquarters has prompted Tshombé to put off the proposed prisoner exchange. However, on 18 October he did send two emissaries to establish contact with the Adoula government. [REDACTED]

25X1

FRANCE-ALGERIA Page 12

French officials in both Algeria and France feel the situation in Algeria is approaching another crisis. [REDACTED]

25X1

The provisional Algerian government (PAG) has indicated publicly that it will continue to call demonstrations in both France and Algeria to pressure Paris to enter "serious" negotiations. New massive demonstrations on the scale of those in Paris on 17 and 18 October could occur before the end of the month. [REDACTED]

25X1

EAST GERMANY Page 15

In an effort to force some degree of cooperation from the restless and disaffected East German population as well as crush any signs of incipient revolt, the Ulbricht regime is continuing to resort to arrests, massive indoctrination campaigns, and various other coercive measures. The sealing of the Berlin sector border has necessitated some extensive readjustments in the economic field but has also enabled the regime to initiate other moves which it had long wanted to make. Top party leaders appear confident of their ability--with Soviet backing--to control the people. [REDACTED]

25X1

SHARP DROP IN CHINESE COMMUNIST TRADE WITH EUROPEAN SATELLITES Page 17

Peiping's trade with the East European satellites (except Albania) is down at least a third from 1960. The drop in Chinese imports from the satellites has resulted from cutbacks in capital construction in China and from Peiping's inability to export. Satellite trade officials have expressed considerable dissatisfaction with the decline, which has left them with undelivered goods manufactured for China and not readily marketable elsewhere. The reduction is expected to continue for the duration of China's economic difficulties. [REDACTED]

25X1

COMMUNIST CHINA SIGNS NEW BORDER AGREEMENTS Page 18

Peiping on 5 and 13 October signed border agreements with Nepal and Burma. Chinese propaganda is playing up these further examples of Peiping's "peaceful, reasonable" policy toward its neighbors and will use them to propagandize the thesis that Indian rather than Chinese intransigence is blocking a Sino-Indian border settlement. China and Nepal also signed an agreement calling for Chinese assistance in the construction of a road from the Tibetan border to Katmandu, which Peiping hopes will help weaken Indian influence in Nepal. [REDACTED]

25X1

SECRET

ii

BRIEFS

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****20 October 1961****RUANDA-URUNDI Page 20**

The assassination of Urundi Prime Minister Prince Louis Rwagasore may signal an extreme nationalist turn in Urundi, tribal violence, and increased strains between Urundi and Ruanda. Radical African states, which have backed demands by Rwagasore's party for an early end of the Belgian trusteeship in Ruanda-Urundi, can be expected to renew their attacks on Belgian tutelage when developments in the trust territory are reviewed by the UN. On 16 October the Urundi Government asked the Security Council to investigate Rwagasore's death. The Haitian chairman of the UN Commission for Ruanda-Urundi is convinced that the territory is not ready for independence and that there is no prospect of uniting the two areas. [REDACTED]

25X1

25X1

TURKEY Page 21

The failure of any of Turkey's political parties to achieve a majority in this week's parliamentary elections foreshadows a period of unstable coalition government. The voters in effect repudiated the army regime, which favored the Republican People's party. The Republicans obtained only a slim plurality in the lower house and placed second in the Senate. General Cemal Gursel, the chairman of the military Committee of National Union, has called on all four parties participating in the election to form a nonparty government, a move which suggests that the committee may be unwilling to turn over the reins to a coalition limited to parties which had tacitly opposed the CNU at the polls. [REDACTED]

25X1

MIDDLE EAST DEVELOPMENTS Page 22

Frictions within the Syrian revolutionary command, together with conflicting pressures on the government by special interest groups, are leading to political instability which Nasir may be able to exploit. Promising to benefit from his "mistake" in Syria of trusting "reactionary elements," Nasir has reshuffled Egypt's cabinet and has called for reconstruction of the governmental machinery so that the "national masses" can participate more effectively in an intensified revolutionary drive. The Jordanian Government's enthusiastic endorsement of Syria's proposal for a federation of independent Arab states has probably strengthened Nasir's determination to work for the overthrow of King Husayn. The Imam of Yemen, planning to leave the country for medical treatment, has publicly reaffirmed his confidence in Crown Prince Badr. [REDACTED]

25X1
25X1**SECRET**

iii

BRIEFS

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

20 October 1961

PORTUGUESE NATIONAL ELECTIONS Page 24

Portuguese officials fear that opposition propaganda during the campaign for the 12 November elections to the National Assembly may provoke public disorders which could further discredit the Salazar regime.

25X1

Although the opposition has registered candidates for nearly half of the assembly seats to be filled, repressive measures are expected to assure Salazar's National Union party an overwhelming victory.

25X1

BRITISH GUIANA SINCE THE ELECTIONS Page 25

Premier Cheddi Jagan's cabinet is concentrating on grandiose plans for economic development and is pressing for independence in 1962, which London might decide to grant. During his current fund-seeking visit to the US and Canada, Jagan is trying to minimize his Communist inclinations by insisting that he is a neutralist socialist. He is assuring his continued political dominance by selecting loyal but untrained followers for ministerial posts and by keeping for himself the post as head of the government information services.

25X1

DOMINICAN REPUBLIC Page 26

The three major opposition groups have rejected President Balaguer's most recent offer to accept them in a coalition government. The opposition's intransigence seems to stem from increasing self-confidence derived from demonstrations of wide popular backing for the opposition cause. Some opposition leaders seem overconfident of their ability to swing military support to their cause in a showdown; the armed forces would be likely to take action against rather than on behalf of the opposition.

25X1

BRAZIL Page 27

The Goulart-Neves government is moving to consolidate its position by bringing the leader of an important opposition party into the government and by replacing hostile officers in armed forces command positions. However, a propaganda campaign to prepare ex-President Quadros' return to an active role in Brazilian politics is gathering momentum. Quadros may seek election as governor of Sao Paulo or as federal deputy next October. His chance of making a political comeback will be improved if the present government fails to make economic and social reforms.

25X1

ECUADOR Page 28

President Velasco, who has been trying to contain the mounting unrest in the country, is being threatened with impeachment by leftist Vice President Arosemena, who presides over the national Congress. Top army leaders have

SECRET

iv

BRIEFS

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

20 October 1961

been pressing Velasco to take more forceful action against leftist elements and, despite a professed reluctance to abandon constitutional procedures, would probably back the President in extraconstitutional measures. Communist and pro-Castro elements have had considerable success in recent weeks in fanning popular discontent with the government, and disturbances which at first were limited to a few northern cities now have spread to the country's main population centers. [REDACTED]

25X1

SPECIAL ARTICLES

MONGOLIA Page 1

A spirit of nationalism continues strong in Mongolia in spite of the predominating influence of the USSR; in recent years, the Mongolians have been able to profit by the competing desire on Peiping's part to make its presence felt there. Drawing on aid from both Moscow and Peiping, the Mongolians this year began their Third Five-Year Plan--which is intended to convert their nomadic society into a nation of settled farmers, livestock raisers, and industrial workers. Mongolia is also trying to win international recognition and is particularly hopeful of developing relations with the new African republics and Asian neutrals. [REDACTED]

25X1

THE PROVISIONAL ALGERIAN GOVERNMENT Page 6

The provisional Algerian government (PAG), reshuffled twice since it was formed in 1958, is still hampered by factionalism among its members and by organizational weaknesses arising from its subordination to the National Council of the Algerian Revolution. The Algerian revolutionary movement has yet to produce a leader strong enough to dominate the situation. The present premier, Ben Khedda, appears to have been appointed following a number of compromises. [REDACTED]

25X1

~~SECRET~~

v

REFERS

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****WEEKLY REVIEW****SOVIET PARTY CONGRESS**

Khrushchev's report to the 22nd party congress on 17 October was a generally moderate and routine restatement of established Soviet foreign and domestic policies. While covering both immediate international issues and long-term theoretical and ideological questions, the report was highlighted by Khrushchev's formal withdrawal of a deadline for a German peace treaty, his announcement that the USSR's present nuclear test series "probably" would end by 31 October with a 50-megaton explosion, his over-all emphasis on the prospects for achieving peaceful coexistence and preventing a world war, and his unprecedented indictment of the Albanian leadership.

Khrushchev contended that events had confirmed the correctness of the policy lines adopted by the 20th party congress in 1956, and claimed that the main result of the party's policy had been the prevention of war. He saw a "prospect of achieving peaceful coexistence for the entire period in which the social and political problems now dividing the world will have to be solved." In addition, he reaffirmed the point laid down by the 21st congress in 1959, which has drawn strong Chinese objections, that "it may actually be feasible to banish world war from the life of society even before the complete triumph of socialism on earth, with capitalism surviving in part of the world." Khrushchev also listed continued adherence to the "principles of peaceful coexistence" as the primary task confronting the Soviet party,

with the maintenance of bloc unity listed second.

Berlin

On the questions of Germany and Berlin, Khrushchev gave a positive assessment of Gromyko's talks with American and British leaders and drew the conclusion from these talks that the Western powers had displayed an understanding of the situation and were inclined to seek a settlement on a "mutually acceptable basis." While warning that a German treaty could not be postponed "to infinity" and repeating that it would be signed with or without the Western powers, Khrushchev stated if the West showed readiness to settle the "German problem" then the "date of signing will have no significance." "In that case," he added, "we shall not insist on the peace treaty being signed necessarily before 31 December 1961."

His withdrawal of the deadline and favorable view of Western attitudes were probably intended to meet Western objections to negotiating under pressure of threats of unilateral action and to open the way for formal negotiations. However, Khrushchev's claim that the "forces of socialism" are stronger than the "aggressive imperialist forces," and his warning against the dangers of a "position of strength" policy reflect his confidence that the West can be induced to grant concessions which the USSR could represent as marking a fundamental change in the status of West Berlin.

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**Bloc Affairs

Although Khrushchev reaffirmed at the congress the major ideological positions which were the targets of Chinese Communist attacks in 1960, his restraint in discussing these issues and his gestures according the Chinese delegation headed by Premier Chou En-lai a special position indicate the Soviet leader's desire to maintain the uneasy truce worked out at the Moscow conference of world Communist leaders in November 1960. However, Khrushchev's unprecedented attack on the Albanian leaders for rejecting the 20th Soviet party congress' condemnation of the "cult of personality" places the Chinese in a difficult position both because of China's close relations with Albania and because Peiping itself is vulnerable to the same charge. Sino-Soviet exchanges over the "cult of personality" were among the most virulent during the height of the dispute in 1960.

Khrushchev accused the Albanian leadership, which was not represented at the congress, of not only opposing Soviet policy on the "cult of the personality," but of practicing it and "trying to drag our party back to the system which is to their liking." He asserted that "no one will succeed in leading us astray from the Leninist policy."

Moreover, Khrushchev's attack went far beyond the question of de-Stalinization by accusing the Albanian leaders of "departing from the generally agreed line of the whole world Communist movement on the most important questions of modern times." He issued a sharp warning that if the Albanian leaders value the cause of building socialism and friendship with the Soviet Union and other bloc parties, "they must abandon their mistaken views" and return to the path of unity.

However, he concluded his assault on the Albanian leaders with a pledge to do everything so that Albania can "march in formation with all the socialist countries." Khrushchev's use of the "cult of the personality" as the specific pretext for attacking Albania and his careful differentiation between the Albanian leaders and the rank-and-file Albanian Communists suggest that his immediate aim is to overthrow the present Albanian leadership.

The Chinese alone within the bloc have continued to offer unqualified support for the Hoxha regime in the face of Moscow's growing efforts to undercut the Albanian leadership. As recently as late September, Vice Premier Lu Ting-yi, an alternate member of the party politburo and the regime's leading propagandist, endorsed Hoxha's "correct"

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25X1

leadership and declared that Peiping is "proud of having such a comrade-in-arms as Albania." More recently, the Chinese and the North Vietnamese were the only bloc members to send delegates to a congress of Albanian women which opened in Tirana on 15 October, just two days before the CPSU congress opened in Moscow.

In what may be Peiping's opening shot in defense of the Albanians, Communist China broadcast on 17 October--after Khrushchev's attack on Albania--a speech delivered on 16 October by China's delegate to the Albanian women's congress. The Chinese delegate pledged Peiping's support for Albania "even in storm and stress" and declared that "no force can destroy" the unbreakable Sino-Albanian friendship. The only indication of Chou's response to Khrushchev's remarks so far is an unconfirmed Western press report that Chou refrained from applauding passages in the Soviet leader's speech which dealt with Albania and the Soviet "antiparty" group.

Nuclear Tests

Khrushchev announced that the current series of nuclear tests probably would be completed by the end of the month and that the last test "probably" would be a 50-megaton detonation.

In view of the announcement that the tests will be ending, the USSR may plan to repeat its performance of March 1958 and declare a unilateral suspension of tests, while calling upon the three Western powers to join in a voluntary uncontrolled moratorium on all tests. As a means of further pressure, the USSR might make a unilateral suspension of testing contingent on US, British, and French agreement to an early moratorium. Although Moscow continues to insist that a nuclear test ban treaty can be discussed only in the context of general and complete disarmament, this position would not prevent the USSR from supporting India's draft UN resolution which calls for an uncontrolled moratorium "pending the conclusion of the necessary agreements in regard to tests or general and complete disarmament."

25X1

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**Internal Affairs

In the portion of his report dealing with domestic political affairs, Khrushchev renewed the attack on the antiparty group, and for the first time publicly listed Marshal Voroshilov -- former titular chief of the Soviet state -- as the seventh member of the group which had tried to unseat him in 1957. Previous information indicated that Voroshilov had either taken a neutral position or had joined the plotters only after it became clear they had won a majority in the 11-man party presidium. Khrushchev, however, claimed that the aged marshal was one of the original group--along with Malenkov, Molotov, and Kaganovich -- who "fiercely opposed" de-Stalinization and desired a return to the repressive measures by which the old dictator had maintained his power. He further accused the four of personal responsibility for many of the crimes of the Stalin era, implying that Voroshilov had been involved in the massive purges which wracked the Soviet military establishment from 1936 to 1938.

Perhaps in order to explain Voroshilov's retention as figure-head "president" of the USSR until 1960, Khrushchev said that the marshal had been prompt to see the error of his ways. Voroshilov confessed his complicity and condemned the machinations of the group at the central committee plenum of June 1957, at which Khrushchev used his support in the central committee to smash the seven-to-four majority aligned against him in the party presidium.

Khrushchev later revealed that the "elaboration" of a new state constitution is about to begin. Work on a new basic law for the USSR has evidently been under way for more than a year, and a draft may be ready for

publication before the end of 1961. All signs at present point to a constitution which is little more than a legal reflection of the new party program. There is no evidence of serious intent further to democratize the Soviet system; the new constitution seems primarily intended to make the construction of communism a matter of state law, and its appearance after the congress will provide all the more opportunity to link the Khrushchev name with the building of communism in the USSR.

Impending changes in the top party leadership are foreshadowed both in Khrushchev's report and in the composition of the honorific governing bodies which preside over the party congress and which traditionally provide indications of standing in the hierarchy. It appears that at least six of the 23 members of the party's ruling presidium are slated for removal at the end of the congress. Presidium candidate Pervukhin, who was a member of the antiparty group, is almost certain to be among them. Front runners for election to the presidium, probably as candidate members, include Defense Minister Malinovsky, Foreign Minister Gromyko, and secret police chief Aleksandr Shelepin.

Economic Development

Khrushchev's speech of 18 October presenting the new party program reveals even more clearly than did the draft issued in July that the present pattern of Soviet economic growth favoring heavy industry is to continue during the next 20 years. The continued high rate of growth in industry--although somewhat lower in 1961 than in recent years--which has resulted in overfulfillment of annual plans, has permitted the announcement at the congress of a decision to raise Seven-Year Plan (1959-65)

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

goals. Construction problems apparently continue, however, leading Khrushchev to suggest a concentration of resources on fewer construction projects in the future.

Heavy industry is to play the decisive role in creating the material basis for communism and in the defeat of capitalism by surpassing the US in per capita production. The consumer industry by 1980 is to increase fivefold, while industry as a whole will grow by six times. This means that both the light industrial base, which produces most of the consumer goods, and heavy industry are expected to grow at approximately the rates claimed in recent years--8 percent for light industry and 10-11 percent for heavy. While Khrushchev implied that the consumer by 1980 will be receiving a greater share of total industrial production than at present, actually his share will decline.

The massive capital investment program of 2 trillion rubles announced by Khrushchev is nearly ten times the total investment during the entire Soviet period to date but will be needed to meet the production goals of the program. Investment in equipment to support planned industrial growth would probably account for at least one third of the total projected investment, and fulfillment of the housing program would account for one fourth.

Khrushchev repeated the unrealistic agricultural goals

contained in the draft program but did not reveal an intention to back up the goals with significant increases in investment. Historically, Soviet agriculture has occupied a very low position in the allocation of resources, though Khrushchev's statements earlier in the year suggested that some improvements might be forthcoming. The only new agricultural figure announced was for total grain production by 1980--300 million tons. The 1961 harvest is estimated at 115-120 million tons. To achieve the 1980 level the growth rates of recent years would have to be doubled. Khrushchev's modest predictions for 1961 industrial output of livestock products suggest a mediocre performance in this sector where production from privately owned livestock is still important.

Khrushchev repeated recent press criticisms of the construction program for wasteful dispersion of funds among too many projects, poor planning, and local mismanagement. He suggested a new solution to these long-standing problems--a moratorium on new construction, with certain exceptions, to be put into effect for a year. Khrushchev indicated that improvements would be forthcoming in the housing program. This program, which until last year had a high priority--has been substantially underfulfilled for the last 18 months. Khrushchev's remarks by no means constitute a clear reinstatement of that priority.

A major reason for the present difficulties in construction

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

KHRUSHCHEV'S ECONOMIC FORECAST FOR 1961					Average Annual Percentage Increases Needed to Meet Original Seven-Year Plan Goals
HEAVY INDUSTRIAL PRODUCTION	Original 1961 Plan Figure	Khrushchev's Prediction		Percentage Increase 1960 over 1959	
		Production	Percentage Increase 1961 over 1960		
Pig iron (million metric tons)	51.2	51.1	9.1	8.8	7.1-8.1
Steel (million metric tons)	71.3	71.0	9.1	8.8	5.8-7.0
Rolled steel (million metric tons)	55.2	55.0	7.8	8.5	5.3-6.9
Coal (million metric tons)	510.0	513.0	---	1.3	3.0-3.4
Oil (million metric tons)	164.0	166.0	12.2	14.1	9.3-10.4
Gas (billion cubic meters)	59.7	59.5	26.0	26.5	27.5
Electric power (billion kilowatt-hours)	327.0	327.0	11.9	10.2	11.1-12.0
Cement (million metric tons)	51.0	51.0	12.0	17.2	11.1-12.8

PERCENTAGE INCREASE IN GROSS INDUSTRIAL PRODUCTION					PERCENTAGE INCREASE IN CAPITAL INVESTMENT		
1959 over 1958		1960 over 1959		1961 over 1960	1959 over 1958	1960 over 1959	1961 over 1960
Planned	Actual	Planned	Actual	Planned Est. Actual	Actual	Actual	Est. Actual
7.7	11	8.1	10	8.8 9	12	11.5	9.5

611020 B

20 OCTOBER 1961

25X1

is a lag in the acquisition of machinery and equipment and in the growth of building materials production. Khrushchev's suggestion, if implemented, should speed up completion of construction projects considerably.

Khrushchev's 1961 forecasts for consumer goods production were carefully selected to show progress when, in fact, production of some important goods has

dropped. For example, he indicated that production of wool fabrics will increase rapidly in 1961 but ignored the fact that the much more important cotton production has for the first nine months of this year been slightly below 1960 production. Third-quarter statistics indicate that the increase in light industry as a whole will be below target. [REDACTED]

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SOUTH VIETNAM**

South Vietnam's recent request for American troops as "combat trainer units"--presented to Ambassador Nolting on 13 October by Deputy Defense Minister Thuan--is a significant departure from President Diem's earlier position that South Vietnamese forces, given enough material support, could handle the Communist guerrillas. The proposal to station Americans near the border of North Vietnam to act as a "symbolic" deterrent to attack and to free additional South Vietnamese units for anti-guerrilla operations was probably made as much for psychological as for security reasons. Diem's declaration on 18 October of a state of national emergency reflects his concern over the impact of recent Viet Cong successes on the morale of government officials, the military, and the populace.

The steady drain on South Vietnam's resources by effective Communist sabotage is underscored by a statement attributed to Diem's brother and close adviser, Nhu, that army casualties now are exceeding the rate of recruitment. Added to the existing security burden will be an immense problem of rehabilitation and reconstruction in several provinces in the Mekong delta now inundated by severe floods.

Intensified Communist activity in the coastal area of central Vietnam suggests a Viet Cong effort to sever communica-

tions between the northern and southern regions of South Vietnam. Two large-scale attacks as well as considerable bridge and rail sabotage have occurred in the past month near Quang Ngai, which is linked by secondary roads to the Communist-infested highlands areas of Kontum Province near the Laotian border.

Viet Cong incidents throughout the country reached an all-time weekly high in early October.

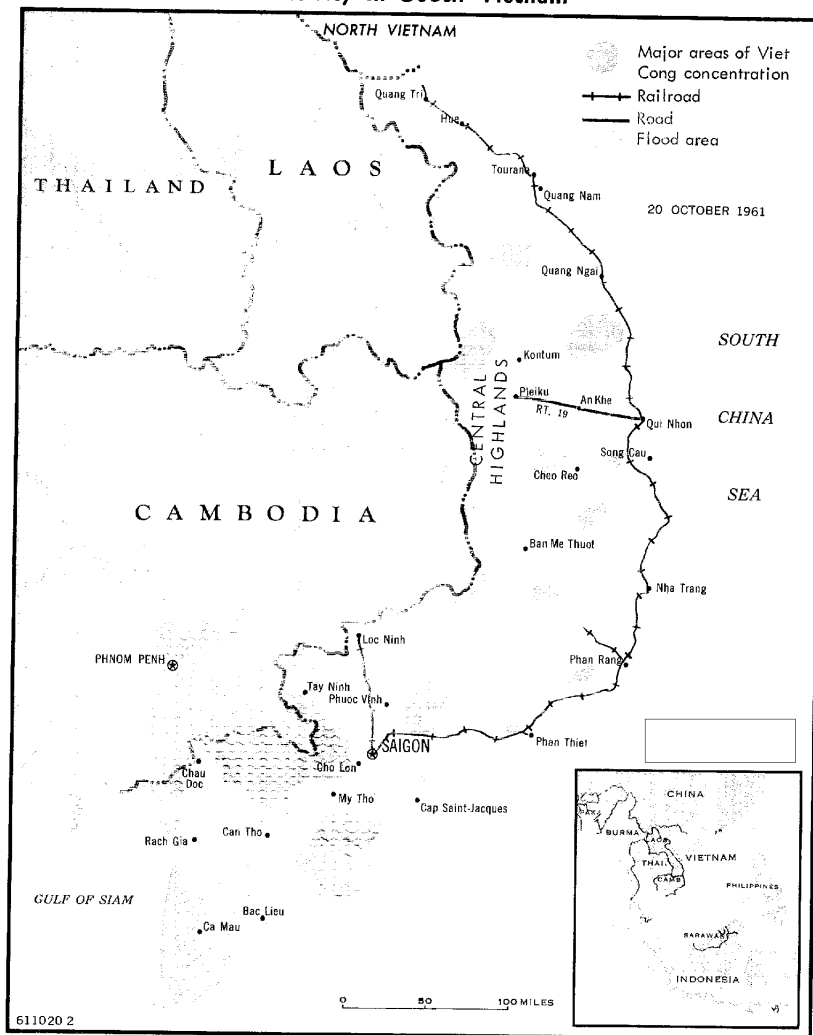
25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

Communist Guerrilla Activity in South Vietnam



25X1

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****LAOS**

The unofficial designation of Souvanna Phoumi to form a government, announced after his audience on 18 October with King Savang in Luang Prabang, is the first step toward the establishment of a coalition in Laos. Souvanna's next move probably will be to call a new meeting with Souphannouvong and Boun Oum to reach definitive agreement on a provisional cabinet. Vientiane and the Pathet Lao are still in conflict over many issues involved, and a settlement may prove difficult.

General Phoumi indicates he intends to insist that half the proposed eight-man "neutralist" center group of the cabinet be drawn from leaders not associated with Souvanna's group at Xieng Khouang. Souphannouvong, on the other hand, appears adamant in his insistence that all eight center candidates be selected from among the followers of Souvanna. While a compromise on this point may be reached fairly soon, the assignment of portfolios is likely to present greater difficulties.

If and when agreement is reached on a cabinet, Boun Oum will submit his resignation and the King will formally appoint Souvanna as premier-designate, according to information received from Souvanna after his interview with Savang. Next, Souvanna's government would be presented to the King, who presumably by then would

have been legally endowed with special powers to appoint a government without reference to the National Assembly, as envisaged under last June's Zurich agreement.

In the absence of a political settlement, scattered fighting continues in widespread areas. Relatively large-scale attacks southwest of Tchepone and south-east of Thakhek on 11 and 12 October respectively were apparently in reaction to recent Laotian Army sweeping operations in central and southern Laos. The Communists may be concerned that government actions could threaten their lines of supply and logistical build-up in this area. There has been further evidence that the Nhommarat-Mahaxay area east of Thakhek is being developed as a major logistic base defended by emplacements and antiaircraft weapons.

At Geneva, Soviet delegate Pushkin, who canceled earlier plans to attend the 22nd party congress on Gromyko's instructions, has urged that the USSR and the US should proceed rapidly to work out a compromise agreement on the two most critical issues remaining: voting procedure for the International Control Commission (ICC), and the SEATO protocol on defensive guarantees for Laos. Earlier last week, Pushkin delivered a letter from Khrushchev to Ambassador Harriman in which the Soviet premier maintained that a Laotian agreement would have a favorable

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

effect on the peaceful settlement of other East-West issues.

In addition to demonstrating the USSR's desire for serious negotiations on Berlin and Germany, the Soviet leaders probably believe progress toward a Laotian settlement will forestall any developments which could result in direct intervention by the United States and other SEATO powers. They may also feel that a more forthcoming Soviet attitude on the remaining points at issue would deter any substantial increase in US military commitments in South Vietnam.

During the past week, Pushkin developed the line that in view of Soviet willingness to expand the cochairmen's responsibilities for guaranteeing Laotian neutrality, the West should drop its demands that the ICC must have free and unrestricted access to all parts of Laos and that permanent ICC inspection posts must be established throughout the country. Pushkin offered to write into any agreement a provision that the cochairmen will assume the responsibility for seeing that the conference signatories respect a Laotian declaration of neutrality.

Pushkin, in his 14 October meeting with Ambassador Harriman, pressed for a compromise solution of the SEATO issue--on which he had previously been adamant--and suggested that the conference could accept

the Indian delegate's approach, which would, in effect, have all the SEATO signatories agree to respect a Laotian declaration renouncing the protection of military alliances. With regard to the ICC voting procedure, Pushkin seemed to imply that the USSR would not insist on unanimity for the initiation of investigations and also might be willing to compromise on the question of majority and minority reports resulting from such investigations.

Although Pushkin has not yet submitted new Soviet drafts on ICC voting procedure, he assured Ambassador Harriman on 17 October that investigations by the ICC could be started and carried out by a majority vote of the ICC. He agreed that provision could be made for majority and minority views in all reports from the ICC but asserted that any recommendation by the ICC to the Geneva conference must be reached unanimously. Pushkin also agreed that all investigations requested by the Lao government would be made without any voting by the Commission.

The USSR probably feels that by proposing compromise solutions to these key issues, it will be able eventually to secure Western agreement to a settlement at Geneva effectively subordinating the ICC to the authority of a provisional Laotian government headed by Souvanna. Pushkin has consistently pointed out that the ICC will have to establish a working arrangement with Souvanna, and on 10 October told Ambassador Harriman that the "US must get used to having such matters in Laotian hands."

DED

25X1

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

CONGO

Protracted efforts to achieve a formal cease-fire in Katanga resulted, on 13 October, in a tentative agreement between Tshombé and UN representative Mahmoud Khiari. The proposed agreement includes provisions for a prisoner exchange, originally set for 16 October; for the evacuation by the UN of several strong points in Elisabethville; for retention by Tshombé of garrisons in northern Katanga; and for military inspection teams to visit the installations of each side.

The most controversial point of the proposed agreement, Article 10, states that a counter-attack by Katangan forces against an attack from "the exterior" would not constitute a violation of the cease-fire. This article, generally interpreted to mean an attack by the central government, caused consternation among UN officials both in Leopoldville and New York. Khiari on 16 October flew to Leopoldville to explain the terms to Congolese officials and foreign diplomats. Premier Adoula issued a public statement expressing his apprehension regarding the terms, which he stated would reinforce Tshombé's position, and implicitly urged that the UN not ratify the agreement.

UN headquarters' failure to date to confirm the terms has delayed implementation of the agreement and has increased bitterness in Elisabethville. UN representative O'Brien on 16 October denounced Tshombé for not implementing the prisoner exchange, while Tshombé stated that he would not carry out the agreement until it was

ratified by the UN. In New York, Congolese Foreign Minister Bombo on 17 October attacked the proposed cease-fire and hinted that the Congo might seek Soviet aid in launching an offensive to crush Tshombé.

Apart from the terms of the cease-fire, the military stalemate in Katanga is a setback to both the UN and the central government in their efforts to defeat Katanga's secession. Tshombé on 18 October carried out his commitment to send two emissaries to negotiate with the central government. In the wake of his "victory" over the UN, however, he is unlikely to accept any formula put forth by Adoula which involves Katanga's reintegration with the Congo. The current impasse is embarrassing to Adoula, who has associated his government with the UN venture in Katanga. Although Adoula has indicated an awareness of the logistical pitfalls inherent in any Congo Army "invasion" of Katanga, he will be under increased pressure from radical elements of his government to take tough action against Tshombé.

On 13 October, four Dornier-28 light transports--flown from West Germany--passed through Libreville, Gabon, en route to Katanga. With these, Tshombé probably now has at least five 25X1 Dorniers at airfields in southern Katanga.

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

Elsewhere, Vice Premier Gizenga--who had been scheduled to return from Stanleyville to Leopoldville on 14 October--may be carrying on political consultations with hard-core supporters in Orientale Province. Although many of Gizenga's former aides have now taken posts in the Adoula government, Gizenga may still hope to form an "opposition" with a view to supplanting Adoula. Any such move would be handicapped by Gizenga's reluctance to spend much time in Leopoldville, as well as by problems in obtaining financial assistance from abroad. Most of Gizenga's erstwhile foreign allies--including the USSR and the UAR--are seeking accreditation from the Adoula government.

Belgian Foreign Minister Spaak, speaking before the Senate on 12 October, defended his policy of cooperation with the UN in the Congo against

charges by Social Christian and Liberal party critics that he had failed properly to protect Belgian interests there. Spaak made clear his disapproval of certain aspects of the UN action, charging that General Assembly actions now are determined by an emotional majority without reference to justice. He added that he had repeatedly protested to the UN concerning its treatment of Belgians, and had warned that if the UN persisted in such discrimination Brussels would be forced to review its policy toward the UN.

Spaak stated, however, that his government still supports the central government in the Congo, emphasizing to his critics--many of whom are zealous proponents of Katangan separatism--that Brussels does not intend to support Tshombé.

25X1

25X1

FRANCE-ALGERIA

25X1

French officials in both Algeria and metropolitan France feel the situation in Algeria is approaching another crisis.

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

The OAS has probably not been significantly weakened by the silencing of its clandestine radio in Algiers or the capture of an OAS assassination squad, although these successes have helped the morale of the security forces. The OAS may nevertheless feel compelled to act soon, since its indiscriminate terrorism has begun to alienate many of the European settlers it counts on for mass demonstrations to overwhelm the police.

The OAS may also seek to provoke widespread violence by exploiting tension between Europeans and Moslems. European mob attacks on Moslems in Oran on 17 and 18 October, following a series of smaller clashes which began on 13 October, could result in Moslem retaliation throughout Algeria. The European attacks, probably encouraged by the OAS, increase the likelihood that the nationwide Moslem demonstrations scheduled for 1 November by the provisional Algerian government (PAG), even if intended to be peaceful, will result in racial clashes extensive enough to require intervention by the French Army.

The US consul general in Algiers--who feels that Moslem restraint is the principal reason general violence has not already erupted in Algeria--suggests that the 1 November demonstrations may not be intended to be peaceful. He notes the presence in the Algiers Casbah of many new Moslems, some of whom have reportedly recently arrived from Tunisia.

The massive Moslem disturbances in Paris, although ostensibly directed against the recently imposed curfew, appeared to be highly organized and to indicate much more active support for the PAG among the approximately 400,000 Moslems in France than the French authorities had assumed. The PAG has indicated publicly its intention to continue to call demonstrations in both France and Algeria as a means of pressuring Paris to enter "serious" negotiations. New large-scale demonstrations could occur as early as 22 October, the anniversary of the capture by the French of rebel leader Mohamed Ben Bella.

De Gaulle's plans to visit Rocher Noir, the new French administrative headquarters east of Algiers, around 1 November now seem less certain. Jean Morin, the French delegate general, told the US consul general on 14 October that De Gaulle's visit had been agreed upon in principle "if there is something for him to do." Morin confirmed that by this he meant that the French had not yet been successful in persuading Moslem-elected officials to participate at this time in the proposed consultative body which would advise the delegate general on problems relating to the self-determination referendum. De Gaulle apparently intended to install this body during his visit to Rocher Noir.

Morin added that Minister for Algerian Affairs Joxe would probably come to Algeria at the

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

end of the week. Morin said he would urge Joxe to hold a press conference if negotiations with the PAG were about to be resumed, in order to calm Europeans by assuring them of the government's concern for their future.

Reports from Tunis indicate that last week's meeting of the PAG was devoted to "internal affairs," and that no decision was reached in regard to resuming negotiations. There are indications that some rebel military commanders are dissatisfied with the PAG leadership, especially with deputy premier Belkacem Krim. The US ambassador in Tunis believes that this situation may account for the recent PAG statement demanding the release of vice premier Ben Bella, now detained in France, before negotiations are resumed. The ambassador comments that if the PAG's authority over the rebel military units is at all insecure, the full and explicit support of Ben Bella will be necessary to assure their compliance with any agreement negotiated with the French.

The likelihood that the French have similar reports of dissension and are trying to exploit it seems indicated by Joxe's public admission on 17 October that in June 1960, just prior to the abortive Melun talks, De Gaulle had received three rebel field commanders desiring to surrender. Although the government's version of the incident makes it clear that one of the commanders betrayed the others and quashed the move,

Joxe's account is likely to provoke repercussions in French military circles in view of ex-General Challe's allusion to the incident during his trial as justification for his belief that the army had won militarily in Algeria and that De Gaulle's policy of negotiation was depriving it of the fruits of victory.

Further expressions of the intention of De Gaulle's opponents to try to press him to step down have also been reported. Ex-Premier Pinay is said to be planning soon to announce his candidacy for leadership of a national coalition designed eventually to replace the present government. He maintains close contact with army officers and may have been encouraged by the recent tendency among hitherto silent moderate elements to express support for a civilian-led "democratic alternative" to De Gaulle.

25X1

reputedly "nonpolitical"--to the effect that the army does not want to take power itself but would support an effort to oust De Gaulle "by moving a few strategically located regiments," particularly paratroop units and forces in Germany.

25X1

The American Embassy in Paris, however, commented last week that it detected an evolution of attitude among many officers in favor of loyalty to the government in event of a crisis.

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****EAST GERMANY**

In an effort to force some degree of cooperation from the restless and disaffected East German population as well as crush any signs of incipient revolt, the Ulbricht regime is continuing to resort to arrests, massive indoctrination campaigns, and various other coercive measures. Despite these moves, the population--although cowed--apparently remains openly hostile and has perpetrated a variety of minor antiregime acts and even some open violence. Top leaders of the Socialist Unity party (SED) appear confident of their ability--with Soviet backing--to control the people.

Resistance by Factory Workers

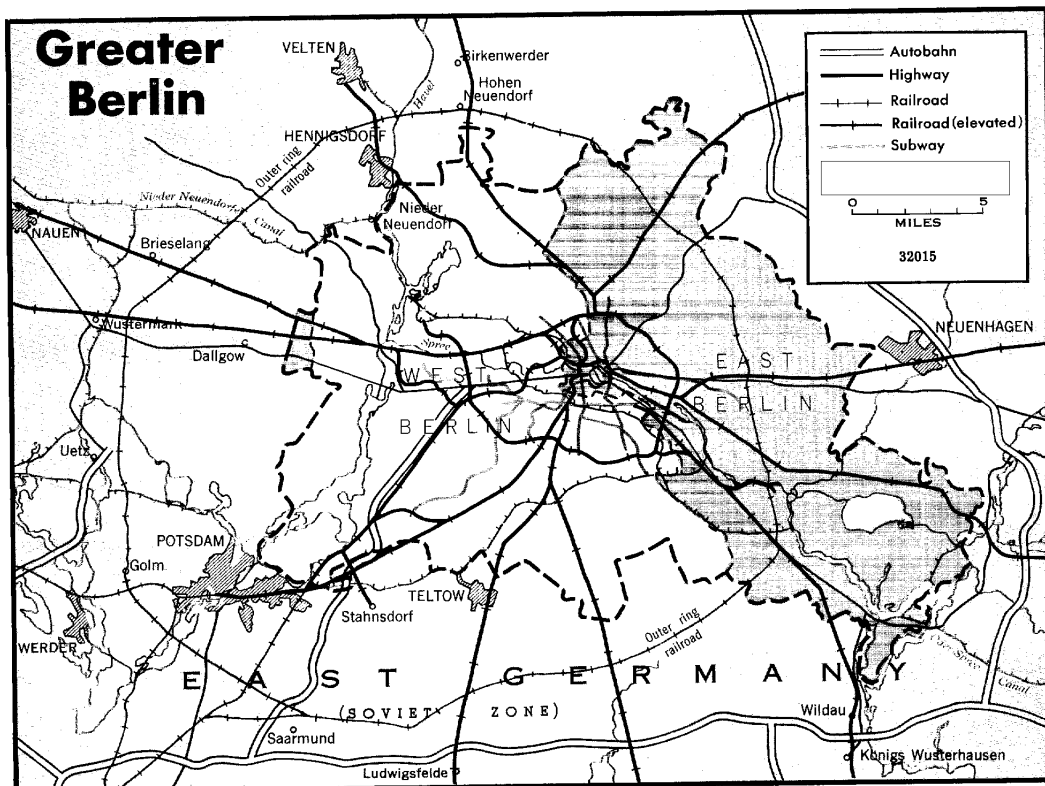
The regime is pressuring workers to "produce more in the same time for the same pay." In some cases this pressure has resulted in the imposition of longer work hours. One report asserts that the regime is already implementing decrees published on 26 August designed to

tighten its control over the allocation of labor.

In East Berlin, SED officials reportedly have been ordered to take part in a massive propaganda campaign to overcome the growing apathy among industrial workers there which followed the move to seal off West Berlin. Work slowdowns and acts of sabotage have been reported in some factories in the area.

Resistance Among Youths

Incidents of open defiance of the regime continue to be reported from all areas of East Germany, particularly cases involving youths which have brought heavy prison sentences to the offenders. In one instance students at a secondary school in Schwerin District reportedly staged a demonstration against the regime; in another, one student was arrested for provocation to "murder and espionage."



25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**Transportation Problems

Closure of the Berlin sector border has necessitated extensive efforts by the East Germans to replace transportation routes which crossed West Berlin territory. New control measures on the interurban and intracity rail links in the Berlin area and the elimination of most rail traffic through West Berlin have slowed Communist rail transport in the Berlin area to the point where several hours are required to travel distances which formerly took only minutes.

Double-tracking and electrification of the Berlin rail bypass and new facilities for the elevated railroad (S-Bahn) are receiving first attention, displacing the priority formerly assigned to the route between Berlin and Frankfurt/Oder --the main rail route from the Soviet Union through Poland. Track for the bypasses is apparently being taken from those S-Bahn lines which formerly ran into West Berlin and from the Berlin-Frankfurt project.

Despite the high priority, it will be some months before adequate service can be restored, although the East Berlin press announced on 12 October that the double-tracking of the rail line circling Berlin was almost finished.

Economic Situation

The SED central committee and the government's Council of Ministers held a conference attended by 3,500 delegates on 10 and 11 October to discuss the current economic situation. According to reports of the meeting, East Germany continues to be unable to fulfill all the goals of the Seven-Year Plan, but a rapid expansion of heavy industry remains the primary economic goal.

The meeting also revealed that the regime's contingency economic planning is based on the assumption that interzonal trade will have ceased by the time the 1962 economic plan is effective. East Germany is seek-

ing alternate Western sources of supply for goods now obtained from West Germany and also is attempting to integrate its economy more closely with the economies of other bloc countries.

Negotiations between East Germany and the USSR for Soviet provision of chemicals and medications are continuing, and the Soviet Union has promised to help replace in 1962 any imports from West Germany that East Germany cannot replace through its own production or from other sources. Soviet first Deputy Premier Mikoyan, at East Germany's 12th anniversary ceremonies, enlarged this offer by promising to supply food as well as raw materials. Other bloc nations have also promised to assist East Germany, but its negotiators are finding these nations reluctant to set firm delivery dates.

A new currency law, which became effective on 1 October, emphasizes the regime's need for foreign exchange. East German holders of West German marks and of claims in West German marks must exchange them for East marks at the official one-to-one exchange rate. This law, which could not have been effectively enforced before the closing of the border, should permit the Ulbricht regime to acquire some West marks to bolster its foreign exchange position.

A recent SED announcement disclosed that East Germans must postpone the planned time for catching up with West German living standards. The announcement stated that there would be cutbacks in the production of some consumer goods and warned citizens to "tighten their belts" to pay for defense measures against the West. Several price increases have been announced for consumer goods, and more are slated for early 1962. In addition, the regime has restricted installment buying in order to help eliminate excess purchasing power.

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SHARP DROP IN CHINESE COMMUNIST TRADE WITH EUROPEAN SATELLITES**

Peiping's trade with the European satellites (except Albania), like that with the USSR, has sharply declined this year as a result of China's economic setbacks. Peiping has severely curtailed shipments of complete industrial plants from East Germany, Czechoslovakia, and Poland, which account for the bulk of Sino-satellite trade, and this reduction is expected to continue at least through most of 1962.

Sino-satellite trade since 1950 has involved a mutually beneficial exchange of satellite industrial goods for Chinese agricultural products and raw materials. Machinery and equipment--about half of which consisted of complete plants--have in recent years made up nearly 85 percent of satellite exports to China. The satellites have not extended long-term credits to China, and the level of trade has depended primarily on Peiping's ability to export.

Last year, Sino-satellite trade amounted to roughly \$625,000,000--the same as in 1959--and constituted about 15 percent of total Chinese trade. Available evidence for 1961 suggests a reduction of from one third to one half, indicating that trade this year probably will come to no more than \$400,000,000. Total Chinese trade is expected to drop from about \$4 billion in 1960 to some \$3 billion in 1961.

Peiping still has not signed a trade protocol for this year with Czechoslovakia; the agreements with the other satellites undoubtedly involved a sharp reduction in trade.

The curtailment of Peiping's industrial imports from its bloc trading partners has resulted in part from the cutbacks in capital construction in China and the regime's current industrial policies--which emphasize improving quality and making use of existing capacity rather than starting new projects--and in part from China's inability to pay by exports. The Chinese canceled many imports of complete plants for 1961 and probably hoped to postpone other deliveries until 1962 and beyond.

Trade officials in the satellites have expressed considerable dissatisfaction with the state of their countries' trade with China. The Chinese retrenchment policies have left the satellites with undelivered orders manufactured for China and difficult to sell elsewhere; China's failure to deliver raw materials and foodstuffs, moreover, has forced the satellites to look for new sources of these goods. Preliminary trade talks for 1962 should normally be getting under way now, but there is no sign that China is prepared to restore trade to former levels, and further reductions may be made. (Prepared by ORR)

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

COMMUNIST CHINA SIGNS NEW BORDER AGREEMENTS

Peiping capped its October National Day and Double Ten festivities by signing border agreements with Nepal on 5 October and with Burma on 13 October during the friendship visits of Nepal's King Mahendra and Burma's Prime Minister U Nu. Chinese propaganda hailed both agreements as examples of what can be accomplished by negotiations conducted in the spirit of the "five great principles of peaceful coexistence." In each case, Peiping took a conciliatory stance during negotiations, yielding on many disputed points to secure agreements which it could use in its efforts to blame New Delhi for the impasse on the far more important Sino-Indian border dispute.

The signing of the border protocol with Burma follows five years of negotiation. Both sides have extracted maximum propaganda effect from each of the many intermediate steps. The Chinese pulled out all stops in welcoming U Nu and his entourage to Peiping for the signing ceremonies.

The text of the Sino-Nepali border treaty reveals almost no changes of significance from the traditional boundary. When Mahendra arrived in Peiping, it appeared that the only serious point at issue between the two countries was ownership of the summit of Mt. Everest. Nepal had rejected such Chinese Communist promises as internationalization

of the summit. The text of the new treaty does not settle the question; it merely lists Everest as one of the mountains through which the border runs. A formal decision on the issue, if forthcoming in the near future, will probably be worked out by the joint border commission charged with physical demarcation of the border. A mapping protocol--similar to that just signed between Burma and China--will be drafted after the border markers are in place.

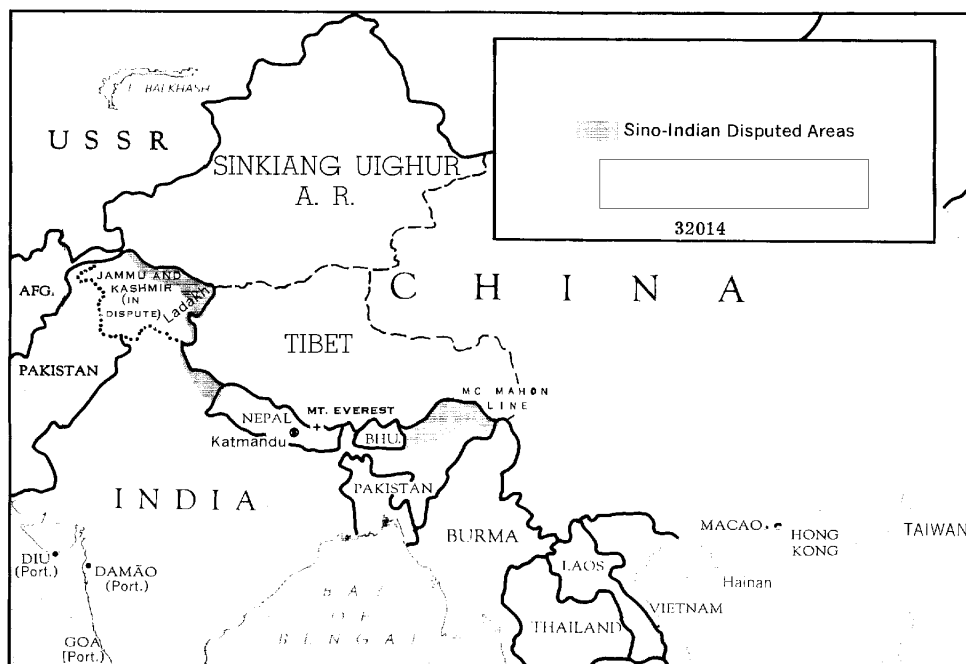
New Delhi contends that the Sino-Nepali treaty strongly supports India's argument that the Indian border with China is well settled by tradition and custom at the high watershed all along the Himalayan Range. Peiping, arguing that the Sino-Indian border has never been delimited, claims territory south of the McMahon line, which follows the watershed in the eastern sector. The Chinese hope to barter their claim in this sector for India's claims in Ladakh, but the matter continues to stand on dead center. The impasse has split the Indian Communist party, which, for vote-getting purposes, has had to issue an election manifesto that again offers general support for the Indian Government's border stand.

Peiping used the occasion of the agreements with Nepal and Burma to herald its regard for the "rights" of small nations. In the joint communiqué following Mahendra's visit, the Chinese

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY



25X1

promised never to adopt an attitude of "great-nation chauvinism" toward Nepal. Mahendra eagerly picked up the Chinese line and made much of an assurance--which he alleged Liu Shao-chi had given him privately--that Communist China would never invade or aggress against its neighbors.

Economic talks during Mahendra's visit resulted in the signing of an agreement, long sought by Peiping, for Chinese assistance in building a road from the Tibetan border to Katmandu. Such a road is of dubious economic value at present. Peiping probably hopes,

however, that it will help reduce New Delhi's influence in Katmandu by breaking India's virtual monopoly over access to Nepal. The road will also serve as an artery for carrying Chinese propaganda into Nepal through the activities of Chinese technicians and laborers. Katmandu may have acquiesced in the project out of fear--reportedly encouraged by the Chinese--that New Delhi would delay Chinese aid shipments transiting Indian ports.

Both Liu Shao-chi and Chou En-lai accepted Mahendra's invitation to visit Katmandu, but no formal date for their trip was set. Liu has a number of open invitations from foreign countries, but has never left China on a good-will junket.

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****RUANDA-URUNDI**

The assassination of Urundi Prime Minister Prince Louis Rwagasore on 13 October may signal an extreme nationalist turn in Urundi, tribal violence between the Hutu and Tutsi people there, and increased strains between Tutsi-controlled Urundi and Hutu-dominated Ruanda--already the scene of continuing violence between the two ethnic groups. Rwagasore, the son of Urundi's ruler, Mwami Mwabutsa, had led the moderate wing of the Union for the National Interests of Urundi (UPRONA), which represented the interests of the ruling but minority Tutsi people and pressed for early independence for Urundi. In legislative elections on 18 September, held under UN supervision, UPRONA overwhelmingly defeated the Belgian-supported Front Commun, a group of parties from a rival Tutsi clan and the Hutu peoples; the Front Commun had previously governed Urundi.

The UPRONA victory "stunned" local Belgians, who had worked to eliminate the feudal regimes of the Tutsis and bring the Hutus, who comprise more than 80 percent of the population, to power. Rwagasore had assured the Belgians that UPRONA's theme of "independence in 1961" was campaign propaganda, that he would not press for independence before late 1962, and that he wanted the Belgians to continue to give Urundi technical and financial assistance. He had added Hutus to his government but could not convince other members of UPRONA to accept members from the Front Commun.

The Belgian Foreign Ministry told Ambassador MacArthur that Rwagasore's assassination was a "hard blow" to Belgium and would create an inflammatory situation undoing "all Belgium's good work in the elections." Belgian Foreign Minister Spaak had informed MacArthur early in October that while Belgium wanted to be helpful, it did not wish to impose its presence and would

withdraw completely and immediately if Ruanda-Urundi so desired.

Vice Premier Ngendandumwe, a Hutu and a moderate, is technically in line to become prime minister, but André Muhirwa, minister of interior, son-in-law of the Mwami, and a Tutsi, seems a more likely successor. Muhirwa heads the extreme nationalist wing of UPRONA and is in close contact with the more radical African leaders. His coming to power would increase tribal animosities in Urundi and strain Urundi's relations with Ruanda, where the Hutus are in control.

The Belgian delegate at the UN stated on 17 October that a Greek resident of Urundi had been arrested for the murder. The Belgian Foreign Ministry believes the Greek was probably hired by family rivals of Rwagasore who wished to prevent further consolidation of the present ruling family. [redacted] 25X1

[redacted] top Front Commun leaders have been arrested, and that preliminary inquiry has established that the Front had organized the assassination. 25X1

On 16 October the Urundi Government asked the UN Security Council to investigate the assassination and charged that a Front Commun coup d'etat was in the making. Prior to the assassination, developments in Ruanda-Urundi were scheduled for review in November or December at the 16th session of the UN General Assembly. On 17 October, 20 African states presented a draft resolution calling for an immediate investigation and a report to the General Assembly "as soon as possible."

Haiti's Max Dorsinville, chairman of the UN Commission for Ruanda-Urundi, observed the elections and will make recommendations to the UN which will carry considerable weight. He is convinced that neither Ruanda nor Urundi is ready for independence, that there is no possibility of

SECRET

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

uniting the two, and that a "UN presence" is necessary for some time. He told US officials in early September that the Belgians would be fortunate if the General Assembly, which he described as

determined to "punish Belgium," 25X1
did not push for an independence date "five or six months after April 1962." [redacted]

25X1

TURKEY

The close results in Turkey's orderly parliamentary election last Sunday will make a coalition government necessary. Prospects for its stability are dim. The long-established Republican People's party (RPP), led by former President Ismet Inonu and committed to economic and social reforms, suffered from its close association with the junta which took power in the coup on 27 May 1960. The RPP won just a slight plurality in the lower house and only second place in the Senate. It may choose to remain in the opposition. The heavy vote for those three parties which appealed to former members of Menderes' Democratic party (DP) indicates the degree of opposition aroused by the military government.

The Justice party (JP), led by former General Staff chief Ragip Gumuspa, had no program other than appealing to the ex-Democrats, but it received almost as many seats in the lower house as did the RPP. Despite the limited success of the New Turkey party (NTP), it will have a strong bargaining position in the negotiations for the formation of a coalition. During the campaign this party also appealed to former DP supporters. There is no barrier to cooperation between the Justice and New Turkey parties. On the other hand, the campaign platform espoused by NTP leader Professor Ekrem Alican is compatible with the professed views of the RPP.

Chances are slight that the small Republican Peasant Nation party (RPNP) would enter a coa-

lition with either the RPP or the JP. The RPNP conducted a bitter campaign to displace the Justice party as the leading beneficiary of the protest vote. The RPNP's demagogic appeal is to the peasants, and it opposes the secularization and Westernization of Turkey to which the RPP is committed. Presence of the RPNP in a coalition would reduce the appeal of such a government to all elements other than the peasants.

The rebuke to the military in the elections and the difficulties inherent in forming an effective coalition--even aside from the likelihood that a JP-based coalition would be inimical to the military--present the junta with serious problems. General Cemal Gursel, whom most parties may agree on to be president, has appealed to all four parties to organize a nonparty government. It has been reported that the CNU will not dissolve itself, as had been planned, but will continue to meet to keep an eye on the politicians.

Apparently in an effort to close ranks, the CNU issued a statement shortly after the election that 14 of its members, exiled in November 1960 over disagreements with the junta leadership, were loyal citizens with the good of the country at heart. The CNU may permit these individuals to return to Turkey, despite the danger that they may stir up the younger officers and thus introduce still another element of instability into the situation. [redacted]

25X1

~~SECRET~~

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

MIDDLE EAST DEVELOPMENTS

Syria

Friction is reported to have developed within the Syrian officer corps and within the revolutionary command itself on the question of immediate denationalization of industry, as well as on the extent to which the military should intervene in day-to-day governmental decisions. The command is apparently having difficulty maintaining discipline in the army, especially in the three Qatana brigades, elements of which played a leading role in the revolt.

These problems in the military leadership, coupled with pressures being exerted by various political interests on President of the Executive Council Kuzbari, seem likely to restore Syria to its traditional condition of instability and provide Nasir with a useful climate for his subversive efforts. However, a temporary boost to the Syrian regime may result from the return to Damascus of former president Shukri al-Quwwatli, who has more prestige than any of the men in the new regime and who has had long, painful experience conciliating Syria's diverse political elements.

The new government moved quickly to request aid from abroad to tide it over during its initial period of economic adjustment. Even before the US recognized Syria, Kuzbari had appealed for quick supply of PL-480 grain. Last week the chairman of a special Syrian committee on economic affairs approached a West German commercial attaché for a \$25,000,000 two-year loan to cover short-term obligations. The government will, in addition, probably seek longer range loans to compensate for the loss of economic development funds Egypt was to have supplied.

The new Syrian regime will probably also welcome continua-

tion--or perhaps even expansion --of military and economic assistance from the Soviet bloc. The basic long-range agreements for military and economic aid from the Soviet Union were negotiated by Damascus and Moscow before Syria's merger with Egypt in 1958.

The government is also moving to restore trade relationships which had languished while Syria was part of the UAR.

Egypt

In a speech on 16 October, Nasir promised to benefit from his "mistake" of trusting "reactionary elements"--which he blamed for the Syrian secession --and pledged new steps to give Egypt's masses the commanding role in a social and economic revolution. He said it would be necessary to "shake the government machinery to its foundations" and reconstruct it "to stand the force of the revolutionary upsurge." He declared that the National Union--the single political party system--must be purged of reactionary elements and "converted into a revolutionary means for the national masses alone." New government moves are thus to be expected against private business and landowning interests; a number of wealthy "reactionaries" may soon be arrested and their property confiscated.

The cabinet shuffle announced on 18 October included a number of new appointments and other shifts, primarily in ministerial assignments concerned with social services and economic matters. In the much more important vice presidential posts, however, all five of the Egyptian vice presidents from the previous government were retained and given ministerial jobs in addition.

Nasir's statements on 16 October concerning Syria were uncompromising. He talked of the "reactionary assault" there and alleged that any peasant

SECRET

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

25X6

now is shot dead if he hesitates to surrender to the "big feudalist" his legitimate right to his land. Nasir pledged his own--and the UAR's--efforts to try to protect the "rights of social justice and self-sufficiency" of the Syrian Arab masses, adding that it was not his "right" to return Syria to the UAR but a decision for the Syrian and Egyptian peoples.

Jordan

Nasir's determination to press for the overthrow of King Husayn has probably grown as a result of public statements by Jordanian officials welcoming "the blessed Syrian upsurge" and as a result of Husayn's enthusiastic backing of Syria's proposal for a loose federation of Arab states. Egyptian spokesmen have ridiculed the proposal as providing for only a facade organization, not even as strong as the Arab League, but Nasir is obviously irritated by any such attempts to snatch away his "Arab unity" banner.

The Jordanian Government is aware of the danger of Egyptian-supported subversive activity. Potential opposition inside the country has been increased, moreover, by the government's thorough rigging of parliamentary elections, making the voting on 19 October little more than a formality. The government announced early this week that deputies for 40 of the 60 parliamentary seats had been elected unopposed.

Yemen

The Imam, in a statement broadcast on 12 October, indicated that he has delegated a certain amount of authority to Crown Prince Badr and reaffirmed his confidence in Badr as heir to the Yemeni Imamate. The statement appears to have been issued in order to pave the way for Badr to take over, as he did on a previous occasion, while the Imam is away for medical treatment.

The Imam's continued insistence on Badr's right of succession, together with the declining state of his health, is likely to result in a renewal of coup plotting among anti-Badr elements. Badr, who has in the past been susceptible to Egyptian and Soviet influence, is opposed by conservative members of the royal family who would prefer to see Prince Hasan, the ruler's brother, succeed the Imam. Many of Yemen's northern tribesmen also are opposed to Badr because they feel that by designating his successor, the Imam has violated the historic custom that Yemeni rulers be chosen by tribal agreement.

Badr is generally believed incapable of ruling Yemen in the forceful manner that has typified the present Imam's reign, and any government headed by him would probably be beset with instability which dissident elements, including pro-Egyptian and pro-Communist groups, would 25X6 try to exploit.

~~SECRET~~

25X6

20 Oct 61

WEEKLY REVIEW

Page 23 of 29

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****PORTUGUESE NATIONAL ELECTIONS**

Portuguese officials fear that opposition propaganda during the campaign for the 12 November elections to the National Assembly may provoke public disorders which could further discredit the Salazar regime. Elaborate security precautions have been taken to prevent infiltration by exiles from Morocco who might initiate terroristic acts to focus world attention on the opposition cause during the election period.

The government-sponsored National Union party has presented lists in all of Portugal's 30 electoral districts. It is basing its campaign on the regime's record for economic stability, and asks for "national unity" in the face of current problems in Africa and in the UN. The moderate opposition, a loose grouping of Socialists, Republicans, Christian Democrats, and Monarchists, wants to "restore democratic liberties," including the right to form political parties, the abolition of press censorship, and electoral reforms. Although opposition lists are registered in only nine districts, these account for 60 of the 130 constituencies. The regime is likely to invalidate most or all of these lists before election day on the pretext of Communist participation, or candidates will withdraw, charging that government interference makes their position intolerable.

Salazar's determination to keep his opponents within strict bounds is shown by his rejection of their appeal on 20 September

for a modicum of campaign freedom and by the recent imprisonment or temporary detention of many of them. He has also refused to publish their campaign program, as it "recommends a change in the present constitutional structure" which is "not an appropriate subject for discussion during an election campaign." 25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****BRITISH GUIANA SINCE THE ELECTIONS**

British Guiana's Premier Cheddi Jagan is in firm control of the cabinet formed after his People's Progressive party (PPP) won the elections on 21 August. He is concentrating on preparations for economic development and early independence, and expects to follow his current fund-seeking visit to Canada and the United States with a trip to London to demand independence in 1962. While much will depend on the views of new Colonial Secretary Maudling, the British continue to believe understanding treatment can prevent Jagan from turning to the bloc, and they might well concede independence before their previously planned date of mid-1963.

Jagan has declared he believes in socialism domestically--state ownership of the means of production--and a neutralist foreign policy. Envisioning a grandiose development program of over \$262,000,000, he was deeply disappointed by the US aid mission's suggested offer of \$5,000,000 and may turn to the bloc for loans if unsatisfied by the West.

Jagan himself heads development planning and the government information services. He intends to set up a permanent planning unit for which he has hired a reputed French Communist, a Venezuelan, two Indians, and a West Indian. He indicated this spring he may seek bloc technical advice. In an attempt to reassure foreign investors, he declared on 15 October the government had no present plans to nationalize the foreign-owned bauxite and sugar industries but reserved the right to

nationalize in the future. He also plans to set up a government radio station.

Principal opposition leader Forbes Burnham and his People's National Congress party boycotted both the Senate and the opening of the new legislative assembly when the governor refused to give the party all three opposition seats in the 13-member nominated Senate. United Force leader Peter d'Aguiar appears willing to add his votes to the PPP's majority in the assembly and to cooperate with Jagan on issues unrelated to Communism. Legislative difficulties are most likely to arise through the new ministers' lack of experience and training--particularly in economics.

A Trinidad Communist has been hired as Jagan's public relations adviser despite Jagan's current efforts to play down his Communist connections and his admiration for Castro's tactics in Cuba. Although Jagan apparently is estranged from his wife, Janet, she is expected to assist him by concentrating on strengthening the PPP now that she holds no governmental post. In their current roles they may repeat the pattern after the 1957 elections, when Jagan ostentatiously banned the entry of Communist publications, while Janet continued to maintain contact with Communists abroad.

Jagan has stated he wants to join the OAS, but he has refused to join the West Indies Federation unless it develops a more socialistic orientation.

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

DOMINICAN REPUBLIC

In recent weeks the three major Dominican opposition political groups have shown increasing intransigence toward the Balaguer government. All three have rejected Balaguer's most recent offer to accept them in a coalition government, a step which the President considers essential to his liberalization program. The opposition's stiffer attitude seems to stem not from any increase in provocations by the government--which have in fact declined--but from mounting self-confidence. The police showed unusual restraint in dealing with the student rioting that began in the capital on 16 October and spread to other cities. Nevertheless, the rioting, initially to protest the naming of a pro-Trujillo university rector, had a clear antigovernment character and further exacerbated the political situation. It led the government to close the university until next January.

One faction of the leadership of the largest opposition group, the National Civic Union (UCN), has been so impressed with the demonstrations of popular support for the group that it has considered taking action toward replacing Balaguer with a government composed wholly or almost wholly of UCN adherents.

UCN leaders appear to have an unrealistic and dangerous estimate of their influence in the armed forces. While they

often privately express confidence that they could swing significant military support to their cause in a showdown, available information suggests that in fact the military would be more likely to act against the opposition. American military liaison officers in the Dominican Republic estimate that the growth of opposition strength since last June has helped unite officers against what they regard as a threat to their positions. The country's most immediate danger is still the possibility of a coup by officers out of fear that they would lose everything if Balaguer's liberalization program reached its logical conclusion in an opposition-dominated regime.

There are some indications that the increased intransigence of the opposition may be due in part to advice from Venezuelan President Betancourt, mortal enemy of the Trujillo family and victim of a nearly successful assassination attempt by Trujillo agents in June 1960

Opposition elements, including the majority of the upper middle class as well as students and other groups, remain suspicious of United States intentions in the Dominican Republic and fear that the United States will end in backing another dictatorial regime

25X1

25X1

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****BRAZIL**

The Goulart-Neves government in Brazil has strengthened its political position by adding Alfredo Nasser of the Social Progressive party to the cabinet. Nasser's appointment was approved by the Chamber of Deputies by a vote of 166 to 2 on 12 October. The Social Progressive party, based largely in Sao Paulo, was not previously represented in the government and had been considered one of the most important potential opposition groups.

Nearly all generals hostile to the government now have been removed from top commands, and similar moves against regimental and battalion commanders are planned.

However, a propaganda campaign to prepare for Janio Quadros' return to an active role in Brazilian politics is gathering momentum. Pro-Quadros sentiments are being expressed openly, although not widely, and the hostility generated by his sudden resignation on 25 August from the presidency is tending to disappear.

Quadros' decision on whether to run for the governorship of Sao Paulo or for a seat in the Chamber of Deputies will probably be based on the outlook for implementation of the constitutional amendment of 2 September, which attempts to transfer executive power from the President and the state governors to prime ministers responsible to the respective legislatures.

If Congress refuses to repeal the amendment and successfully rebuffs Goulart's efforts to circumvent it, Quadros is likely to seek election as a deputy--and subsequently make a bid for the prime ministry. All seats in the Chamber of Deputies, as

well as two thirds of those in the Senate and half the gubernatorial posts, are at stake in next October's elections.

Should repeal of the constitutional amendment seem likely, however, Quadros would probably seek the governorship of Sao Paulo, Brazil's most powerful state. The amendment impairs the attractiveness of that post, since it applies to the states after the incumbent governors' terms expire.

Failure of the Goulart-Neves government to take decisive action in the economic and social fields would enhance Quadros' chances for a political comeback and would increase military unrest. Finance Minister Walter Salles reportedly believes that the financial situation is critical, in part because money is not being received on US loans which had been granted to the Quadros government. According

A law signed by Goulart on 6 October providing for a 40-percent increase in the minimum wage is likely to increase inflation--one of Brazil's principal problems in recent years.

SECRET

25X1

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

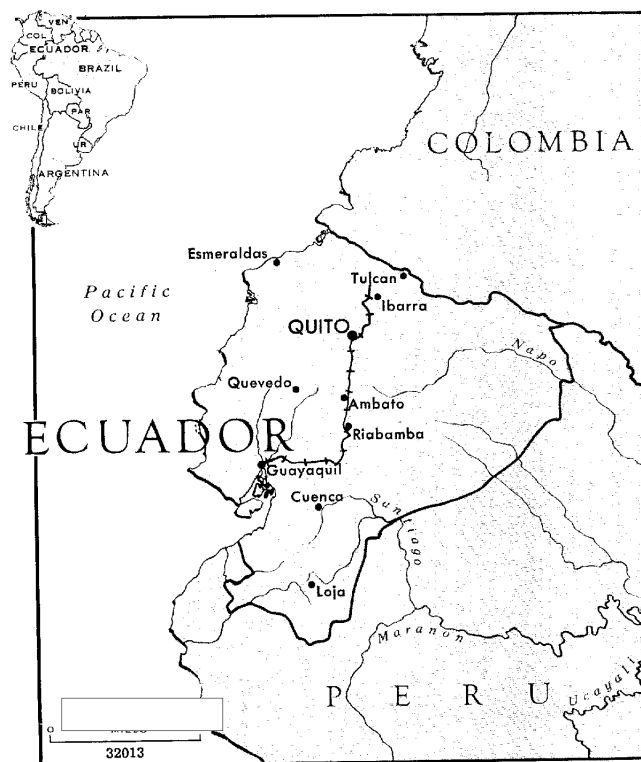
25X1

ECUADOR

Ecuadorean President Velasco, facing mounting unrest, is taking emergency measures against his opposition. A government spokesman on 17 October announced that a "gigantic revolutionary plot" centering in Quevedo and involving both leftist and rightist political figures had been smashed. Two opposition deputies, as well as some 20 Communist leaders, were arrested. The arrest of the deputies provoked the Senate to denounce the government for "violating the constitution" by ignoring the deputies' parliamentary immunity. New political rioting swept the two Ecuadorean cities of Guayaquil and Cuenca on 18 October, and the government charged that a revolutionary plot centered in Guayaquil was under way.

Julio Arosemena, vice president and president of the national Congress, is reported sympathetic to the disgruntled forces in the country and apparently aspires to lead them. On 18 October he threatened to bring impeachment proceedings against Velasco. At a meeting of Congress called earlier this week to consider the arrest of the deputies, the galleries were packed with Velasco supporters, and the meeting ended in stone throwing and gunfire.

The antigovernment action began on 4 October with a Communist-leftist general strike attempt which caused disorders in three northern cities; Quito and Guayaquil at that time were quiet. The move was designed



to force government retraction of certain new taxes. The Ecuadorean Communists were reported satisfied with the initial success of the strike and advised against further agitation. Pro-Castro leftists, however, have been pushing agitation on a national scale.

25X1

There is no evidence that Arosemena has significant army backing,

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

25X1

A second wave of disorders began when Velasco visited the provincial capital of Tulcan on 12 October. According to one report, Velasco had to leave the city under heavy guard because his life was endangered by mobs. The anti-Velasco violence was prompted by grievances such as a government crackdown on smuggling, which provides a livelihood to large numbers, and by government failure to allocate sufficient public works activity to the area.

Poor government planning and inattention to local needs are reflected in unrest in other population centers such as Quevedo, Esmeraldas, Cuenca, Riobamba, Ambato, and Loja.

Ecuador received a token shipment of military equipment from the US on 11 October and has reiterated its request for further assistance.

25X1

* * *

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

SPECIAL ARTICLES

MONGOLIA

The criterion of a genuine internationalist is above all his attitude toward the country which is the homeland of Leninism...."--Y. Tsedenbal, Kommunist, July 1961.

By this standard, it would be hard to find an internationalist more genuine than Tsedenbal, Mongolia's government and party chief, for few can match his talent for turning sycophantic phrases about the USSR. Last year, however, his attitude wavered briefly when he tried to avoid choosing sides in the Sino-Soviet dispute, and he still takes care not to trample on Peiping's ideological sensitivities. Tsedenbal has ambitious development schemes, and Communist China has been underwriting a portion of these plans with an economic aid program second in size only to that of the USSR. The Chinese effort and its impact on Mongolian Communists seem to have jarred Moscow into reviewing its own position in Mongolia.

Socialist Competition

At the Bucharest conference of bloc party leaders in June 1960, Khrushchev reportedly charged that the Chinese were trying to force their concepts on other parties, and he singled out Chou En-lai's May 1960 visit to Mongolia as a case in point. Chou in fact did take every opportunity in Mongolia to expound the Chinese concept of struggle with the West. He also brought a \$50,000,000 loan for Tsedenbal's Third Five-Year Plan (1961-65).

While Chou was in Mongolia, Tsedenbal's speeches steered a middle course between honoring his guests and reassuring Moscow, which showed its lack of enthusiasm for the Chinese premier's visit by giving him only cursory press coverage. Mongolia's balancing act continued through June, and on 5 July 1960 the central committee issued a carefully noncommittal resolution on the Bucharest conference.

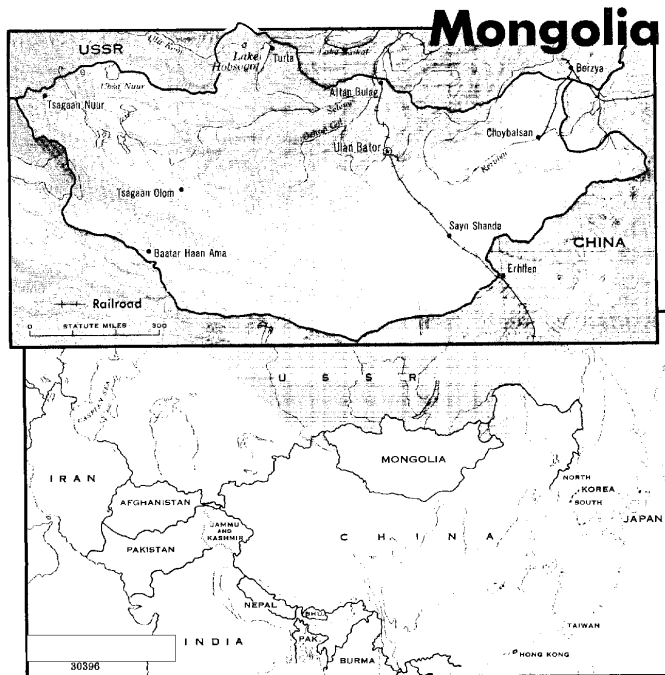
A few weeks later, Tsedenbal was summoned to Moscow, where apparently he was reminded that his attitude toward the homeland of Leninism left a good bit to be desired. On 14 August, Unen, Mongolia's official newspaper, moved to remedy the situation with an editorial declaring firmly for the USSR.

But if Tsedenbal learned that neutrality was a luxury he could not afford, the Soviet Union apparently decided at the same time that Mongolia's traditional obedience could not be taken for granted. When the Mongolian premier returned from Moscow in September 1960, he had a Soviet credit for almost \$154,000,000. Six months later, he was back in the USSR to negotiate an additional credit for more than \$135,000,000. Together, these two credits for the Third Five-Year Plan were greater than combined Soviet contributions to Mongolia over the previous 13 years. With a population of one million, Mongolia could, in fact, claim to be about the world's most subsidized nation in terms of foreign investment per capita.

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

Mongolian Nationalism

Historically, Russian influence was favored by the Mongolians as a rein on Chinese domination. Although Mongolians are determined to prevent any restoration of Chinese ascendancy, there have been indications in recent years that some elements in the Mongolian party were restive after years of unquestioning obedience to the Kremlin and that they welcomed an opportunity to widen contacts with the Chinese as a counterweight to Soviet influence. Other elements have manifested their apprehensions about Russification by their efforts to heighten the Mongol's sense of national identity.

In March 1961, Soviet Defense Minister Malinovsky made a personal appearance in Ulan Bator to join in the Army Day celebrations. He outranked every other soldier present, including Communist China's representative and Mongolia's own minister of defense. This July, when Mongolian Communists held their 14th party congress and immediately afterward celebrated 40 years of Communism in Mongolia, the USSR sent party secretary Mikhail Suslov.

The return of Chinese influence to Mongolia, nevertheless, has an erosive effect on traditional Soviet dominance. Buying into what was once a closed corporation, Peiping seems to be following a policy of patience and of gradual encroachment intended slowly to reorient Ulan Bator's political allegiance.

A spokesman for this last group was a professor at Ulan Bator's Choybalsan University, Dr. Rinchen, who wrote a number of books and poems between 1956 and 1959 extolling classical Mongol culture and implicitly criticizing the Soviet Union. Attacked in the Mongolian press as a "bourgeois nationalist," Rinchen was eventually dismissed from his university post. He suffered only partial eclipse, however, and in May 1961 was elected a member of the Mongolian Academy of Sciences.

Rinchen's outlook is apparently a fairly common one among Mongolian intellectuals and some government officials. American students in the USSR report that their Mongolian acquaintances show a certain disdain of both Chinese and Russians, preferring Western companions to those from the bloc. Mongolia's

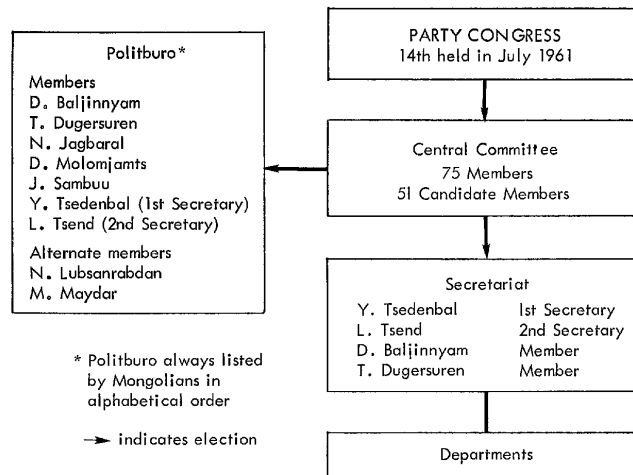
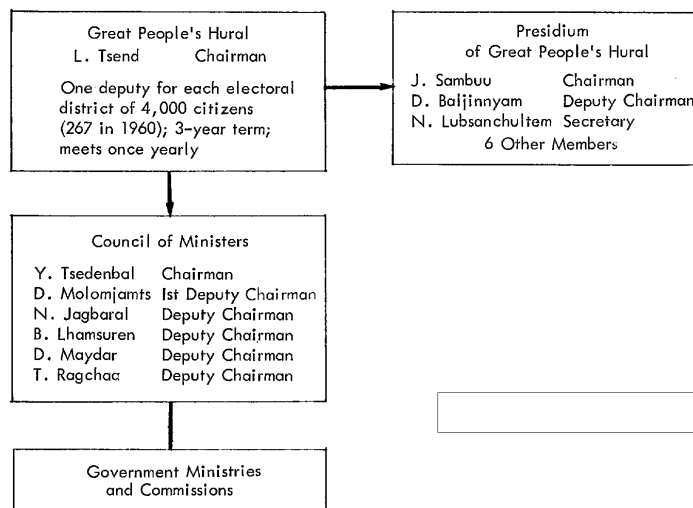
SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

foreign minister told a visiting diplomat in 1956, "We must seek to prevent becoming entirely Russified and as a result, losing our own culture and characteristics."

Mongolian nationalism is often associated with pan-Mongol

sentiment. As one Mongolian official expressed it in a conversation with a US diplomat, Ulan Bator represents the whole Mongol nation including ethnic Mongols in the USSR and China. He described the separation of Inner and Outer Mongolia as a "bad situation" brought on by "historical reasons."

MONGOLIAN PARTY ORGANIZATION**MONGOLIAN GOVERNMENT ORGANIZATION**

25X1

611002

19 OCTOBER 1961

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**Economic Plans

Soviet hegemony still seems secure in Mongolia judging from the performance Mongolian Communists put on this summer at their party congress and anniversary celebrations. The speeches on socialist brotherhood were heavily weighted in favor of the Soviet Union and its economic aid program, which has extended credits totaling some \$564,000,000 since 1947. But the Chinese, whose grants and credits add up to \$115,000,000, were far from neglected and, if not praised as loudly as the USSR, at least were allocated a share of eulogy proportional to their investment in the Mongolian economy. On the sensitive issues of ideological controversy, Tsedenbal and his cohorts stayed carefully within the boundaries of Sino-Soviet compromise defined by the 1960 Moscow Declaration which ensued from last November's meeting of world Communist leaders.

Both Tsedenbal and L. Tsend --a young economist and the regime's second-ranking man-- spent a good deal of time at the congress describing the Third Five-Year Plan. Essentially an effort to catapult Mongolia's archaic economy into the 20th century, the plan constitutes a victory by the 45-year-old Tsedenbal over older elements in the party who preferred a more gradual approach to economic development. These conservatives, who apparently felt the pace of socialization should make allowance for Mongolia's traditional culture, were purged from the politburo in 1959, leaving Tsedenbal in control of party and state apparatus.

The Third Plan is an effort to reduce Mongolia's dependence on animal husbandry. There are more than 20 head of cattle for every Mongolian, and at least 70 percent of the population is directly dependent on the livestock herds. Corollary to this objective are those of expanding crop agriculture and developing a degree of self-sufficiency in consumer goods. Basic to the achievement of these goals will be the settlement of nomads in permanent locations. The government claims that most nomads are enrolled in cooperatives, but out on the steppes the organization is often a paper one.

The Third Five-Year Plan calls for increasing the number of livestock by 11 percent to reach 22,900,000 head by 1965; gross value of agricultural production is to go up 80 percent; and gross industrial production, 110 percent. These goals are more likely to be met in industry and crop farming than in livestock raising.

Large percentage gains in the cultivation and output of crops and some small increases in the livestock herd may be made in the next few years, but any substantial expansion after 1965 in the crop and livestock sector of the economy will be difficult. The major brake on such increases is inadequate rainfall, which limits the capacity of the grasslands for grazing animals and restricts the amount of wheat and other crops that can be grown.

Industrial expansion during the years 1961-65 will continue to depend on imports of equipment and the services of foreign technicians, financed

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

by foreign credits or grants. Even with substantial foreign aid, industry in 1965 will still be on a relatively small scale and will remain centered on the processing of animal products.

Relations Outside the Bloc

Over the past few years, Mongolia has made a determined effort to win acceptance as an independent member of the international community. This campaign has had some success, particularly among Afro-Asian countries, but with one conspicuous failure--the US decision to drop consideration of diplomatic relations with Ulan Bator.

For Mongolia, recognition by the US would have been a most desirable status symbol and one that the Mongolians undoubtedly felt would have served to open doors in the West. Ulan Bator, however, did not want to appear overeager for recognition, and on two occasions Mongolian diplomats officially scoffed at the idea that Mongolia would serve as a "listening post" between Communist China and the USSR. These statements also may have been intended to reassure Peiping, which reportedly had cautioned Ulan Bator against permitting the US to open a legation in Mongolia.

Like the other Asian Communist regimes, Mongolia is particularly interested in promoting relations with the African republics and Asian

neutrals which might be expected to support its bid for UN membership. Membership requires a recommendation by the Security Council and a two-thirds endorsement by the General Assembly. Although Nationalist China had voted in 1946 in favor of admitting Mongolia, Taipei used its veto to block a Security Council recommendation in 1955. Addressing the General Assembly in September 1960, Khrushchev called for Mongolia's admission along with that of Communist China. On 4 December, having failed to get Mongolia's application included on the Security Council agenda, the Soviets retaliated by vetoing Mauritania's application for membership.

Indicative of the importance Ulan Bator attaches to its newly won contacts outside the bloc was the appointment last year of Bayanbatoriin Ochirbat, one of Ulan Bator's few experienced diplomats and formerly acting foreign minister, as ambassador to Guinea. This May, Ochirbat was accredited to Mali as well. Mongolia has also been recognized by Burma, Cambodia, Cuba, India, Indonesia, and Yugoslavia. All bloc countries maintain diplomatic relations with Mongolia.

Ulan Bator also has become something of a way stop for non-bloc dignitaries; last year, Guinean President Sekou Touré and Cambodia's Prince Sihanouk made state visits, and one of the omni-present Cuban delegations included Mongolia in its itinerary. The King and Queen of Nepal are currently visiting Ulan Bator.

25X1

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

THE PROVISIONAL ALGERIAN GOVERNMENT

The provisional Algerian government (PAG) has been re-organized twice since it was formed in 1958--most recently this August--and is still hampered by factionalism and administrative weaknesses related to its dependence on other bodies within the rebel movement.

The PAG is only the political arm of the movement, whose supreme governing body is the National Council of the Algerian Revolution (CNRA). The CNRA has approximately 54 members, drawn from all facets of the rebel movement: the unified National Liberation Army (ALN); terrorists and other revolutionary agents in both Algeria and France; and governmental and diplomatic establishments outside Algeria. Because of its size and the anonymity of most of its members, the CNRA is a shadowy, unwieldy organization which meets infrequently--apparently only twice since mid-1958--and confines itself to establishing broad policies. Its meetings have been long and chaotic, reportedly punctuated with bitter quarrels.

Apparently in order to gain international stature and respectability for the rebel movement, as well as to provide day-to-day direction, the CNRA established the PAG as a government in exile. The PAG is even more restricted by its subordination to the CNRA than are most governments by their

relationship to their parliaments. Although there is a premier, almost all reports emphasize that the PAG's decisions are arrived at--slowly--through group deliberation; consequently, there is a collective sense of responsibility to the CNRA.

Organizational Weaknesses

This method of operation accounts for some of the PAG's weaknesses--as exemplified in rebel talks with the French. The decision to seek a negotiated settlement of the Algerian war seems to have been made at a CNRA meeting in Tripoli in January 1960. Apparently to realign the "government" in order to carry out the new basic policy, this meeting also made extensive changes in the PAG--notably the replacement of Foreign Minister Lamine Debaghine, who opposed negotiations, by Belkacem Krim. The PAG's hesitation to begin talks and the behavior of its delegation once talks had begun are probably traceable in part to preoccupation with strict observance of the CNRA mandate.

De Gaulle's reference to the PAG as the "exterior organization of the rebellion" was a jab at one of its principal weaknesses. Many of its members have not been in Algeria for several years. Of its past and present ministers, only Abdelhamid Mehri--now dropped--can speak Arabic effectively. Living in Tunis or Cairo or traveling

SECRET

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

to Peiping, Moscow, and other capitals, they are isolated from guerrillas within Algeria, who frequently evince a mistrust of their "government" and an impatience with its diplomacy.

There are many indications that the PAG is influenced by this antagonism. The new premier, Ben Youssef Ben Khedda, reportedly resigned from the PAG in 1960 when it rejected his strong plea that at least some of the PAG ministries should move from Tunis into Algeria. Krim, who became interior minister in the latest reshuffle, has indicated to the US ambassador in Tunis that he will work full time to consolidate the PAG's influence among the urban Moslem populations, and that he may enter Algeria in order to perform this task more effectively.

Moreover, the diverse composition of the supreme CNRA is reflected in the PAG itself and in the factionalism which prevails within the subordinate body. There has been talk of a "Cairo wing" in the PAG--meaning those who would closely ally the rebel movement with Nasir and his policies. Many people, possibly including De Gaulle and his government, believe there are "hard" and "moderate" wings, while still others distinguish between the "military" and the "civilian" wings. Probably the most fundamental division is that between former military commanders and those whose service to the rebel cause has been in other fields.

The "Civilian" Wing

The "civilian" wing of the PAG was dealt a heavy blow in the latest reorganization, when former premier Ferhat Abbas, Ahmed Francis, and Mehri were dropped. Both Abbas and Francis have strong French cultural backgrounds and have consistently advocated an independent Algeria having close ties with France. Abbas, who originally opposed the use of violence to gain independence and did not join the National Liberation Front for two years after the start of the rebellion, apparently had little power and no authority over rebel fighting units. Although Abbas won considerable popularity with the Algerian masses, and became more than the figurehead he was probably intended to be, his future in an independent Algeria does not appear bright. His affinity with the Moslem bourgeoisie, however, might prove useful in gaining its support for the new government.

Francis, a competent technician, is even less a militant revolutionary than Abbas, but his ability, especially in economics and finance, could certainly be used in an independent Algeria. He may be utilized as a planner or chairman of some study committee, but his close identification with Abbas makes it unlikely that he will attain real power.

25X6
25X6

Mehri, a graduate of the Arabic Zitouna University in

SECRET

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

Tunis, was held in some esteem because of his intelligence and his excellent grounding in Arabic culture. [redacted]

[redacted] and since

he is noted for an ability to adapt himself to changes in policy, he may yet be influential in an independent Algeria.

The one "civilian" minister to survive the recent reorganization, information minister Mohamed Yazid, is considered strongly Western oriented and a member of the Abbas group, although he has probably built up an independent position through his control of the official rebel newspaper and other information media and his unquestioned technical competence. He is proficient in English, and next to Abbas probably has the widest acquaintance of any of the rebel leaders, being well known in the United States, throughout the Arab world, and in France proper. He will probably continue to be a prominent and effective, although not powerful, member of the government.

The "Military" Wing

Ben Khedda, Belkacem Krim, Abdelhafid Boussouf, and Lakhdar Ben Tobbal comprise the PAG's "military" wing, along with Mohamed Ben Bella, who is under detention in France. All have served in Algeria as rebel field commanders or, as in the case of Ben Khedda, in active and risky organizational work. What control and authority the PAG exerts over the fighting forces in Algeria--frequently reported to be tenuous at best--

stems from the confidence the fighters have in these men. Only they have the influence which might be required to persuade the ALN to observe a cease-fire or a peace resulting from negotiations.

The military wing has frequently been considered synonymous with the "hard" wing, or the "pro-Communist" wing, or even the "China" wing--a too facile and misleading generalization. Krim, for all his revolutionary fervor, impresses US officials in Tunis as moderate and reasonable. He has shown awareness, for instance, that the PAG cannot come to power in Algeria overnight, and he is personally prepared to accept a transitional period. Krim recognizes the hopeless economic plight of an independent Algeria without close cooperation with France, and may use his position as interior minister to prepare the Algerian masses to accept these realities.

Boussouf, on the other hand, has generally been considered the most unyielding of the present rebel leaders. An efficient administrator, he has frequently been described as [redacted] powerful, and even feared. He controls the rebel "secret police" and appoints commanders in the rebel army. By placing supporters in key positions, he has reportedly built up a machine personally loyal to him. There have been many reports of rivalry between Boussouf and Krim, and although Boussouf is less well known and has less prestige than Krim, his organizational and political skill might give him the advantage in a postwar struggle for power.

SECRET

CURRENT INTELLIGENCE WEEKLY SUMMARY

25X1

Ben Tobbal, who appears to have suffered a demotion in the latest reshuffle of the PAG, rose to power without having won the allegiance of any particular group of followers and does not appear to be in as strong a position as either Krim or Boussouf.

There has been much speculation about Ben Khedda's position and ideology, especially his alleged "Chinese" or "Communist" sympathies. He is certainly less moderate than Krim and admires Communist organization and achievement.

25X1

Key

members of the PAG, who have several times expressed annoyance over Western interpretation of rebel contacts with bloc countries as "Communist influence," have recently insisted to US officials that the new premier will not lead Algeria into the Communist camp.

Plans for Governing Algeria

So far, the PAG has been a group directing a rebellion rather than a government administering a country. Most initial comments on the recent reshuffle stressed the effect on negotiations with France and intensification of the war effort if necessary. The realignment may also have been preparation for governing an independent Algeria.

There is considerable evidence that the rebel leaders now are taking independence for granted and beginning to think in terms of how they will run an independent Algeria.

UNCODED

25X1

Ben Khedda, to a greater extent than his colleagues, is apparently looking beyond the attainment of independence. His recent statements suggest that his major effort may be to develop a workable blueprint for the new Algeria. Information from various sources indicates that this new Algeria is to be a social democratic country where all races will have equality before the law, with an agrarian reform program designed to increase the purchasing power of the peasants and thereby permit the industrialization of the country.

In an independent Algeria, the "military" wing can be expected to press for measures directly benefiting the ex-combatants. Both Krim and Ben Khedda have stated that land reform, in particular, will first be aimed at taking care of the former fighters. It is also the military members of the PAG who would be most nearly able to guarantee public order and restrain the ALN from Congo-type outrages. There is no firm evidence, however, that any of these men, with the possible exception of Boussouf, envisages a military dictatorship for the new Algeria.

On the whole, the rebel leaders have impressed US officials and other Western observers as reasonable and competent men.

25X1

SECRET

~~SECRET~~

CURRENT INTELLIGENCE WEEKLY SUMMARY

25X1

Although the French will find the new PAG even less compromising than its predecessor, it may be easier to negotiate with because of its apparently increased authority and the greater effectiveness of the new foreign minister, Saad Dahlab, who impressed the French as the most sophisticated member of the rebel negotiating team at Evian and Lugrin. Dahlab, although not generally identified with the "military" wing, is considered loyal to Krim and acceptable to the ALN.

Ultimate Power Struggle

The reorganized PAG, however, is not likely to be the actual governing body of an independent Algeria--at least not for long. There had been many reports that Abbas and his group were merely being used by the real leaders of the rebel movement and would be speedily dumped once the rebels were installed in Algeria.

Ben Khedda's appointment may be, in the same sense, a sort of interim arrangement. Yazid told the US ambassador in Tunis on 15 September that it was designed to postpone the question of individual leadership until the detainees (Ben Bella and others) are released--and to minimize the risk of a split within the rebel leadership once a cease-fire is effected. The US consul general in Algiers was told some time ago by an influential member of the rebel movement that Ben Khedda would be minister of national economy in an Algerian government.

These considerations suggest that the real struggle for

power is yet to come, and that an independent Algeria will eventually have a single strong leader.

25X1

the PAG is preparing to "phase out" or to cooperate with other Algerian elements in transitional arrangements for a transfer of power in Algeria, it is unlikely that its members intend to relinquish their power positions. Hence they must all be reckoned with as future leaders of the country.

One important and uncertain factor in this likely struggle for power is Ben Bella--who the French have said will be released when a cease-fire is effected. Before his arrest in 1956, Ben Bella was probably the most widely known figure in the rebel movement, and he has been an honorary deputy premier of the PAG since its inception. Although his imprisonment has made him a popular symbol, it is difficult to assess how his absence has affected his actual power within the rebel hierarchy.

25X1

a secret group of Algerian militants in Morocco considers Ben Bella the true head of the government, but it is unlikely that they are powerful enough to carry him to the top over Krim or Boussouf.

25X1

Ben Bella's future in an independent Algeria will probably depend on how advantageous a settlement the present active leaders are able to obtain from the French and how effectively they can administer the new country. Should they compromise the aims of the revolution or make serious mistakes in the early stages of attempting to govern the country, Ben Bella, untarnished by these failures, could emerge as the strong man.

25X1

~~SECRET~~

25X1

Page Denied

SECRET

SECRET

25X1

Page Denied

Next 4 Page(s) In Document Denied